the resignations.Could you please confirm this information? ...*(Interruptions)*...Could you confirm that resignations were submitted to the Prime Minister and those resignations were not accepted ...*(Interruptions)*...Could you please confirm these two...*(Interruptions)*...I do not want to hear from the press...*(Interruptions)*...I want to hear from the hon. Minister on these two points...*(Interruptions)*...Could you please confirm these two points?...*(Interruptions)*...

SHRI SANGH PRIYA GAUTAM: Sir, he is asking the same thing which Mr. Gurudas Das Gupta had asked...*(Interruptions)*...Why are you unnecessarily wasting the time of the House by repeating it?...*(Interruptions)*...

DR. BIPLAB DASGUPTA: Sir, what is this?...*(Interruptions)*...I am asking you and, through you, the Minister whether he can confirm, as the Leader of the House, that the resignations were actually submitted to the Prime Minister. That is one point. The second point is, the resignations were not accepted. Let the Minister confirm these two points...*(Interruptions)*...I do not want any comments...*(Interruptions)*...I want information on these two points...*(Interruptions)*...

THE LEADER OF THE OPPOSITION (DR. MANMOHAN SINGH): Mr. Chairman, Sir, I think, this morning's newspapers have carried the news about the reported resignation of two Members of this Government. Also, newspapers carried the Prime Minister's reaction to this. I think it is entirely appropriate that this House should be Uncorrected/Not for publication - 08.12.1999 taken into confidence as to what the true state of affairs is? We are asking for nothing, but to be informed as to what the correct state of affairs is.

SHRI JASWANT SINGH: I will faithfully communicate the views expressed by the hon. Members here to the hon. Prime Minister.

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Disinvestment of Government Shares in Gas Authority of India Limited at price lower than the best possible price

SHRI DIPANKAR MUKHERJEE (West Bengal): Sir, I beg to call the attention of the Minister of Petroleum and Natural Gas to the disinvestment

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of Government shares in the Gas Authority of India Limited at a price lower than the best possible price.

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): Sir, I am thankful to you for admitting this issue, and also the hon. Member for raising this issue. The Gas Authority of India Limited (GAIL) is the largest natural gas transmission company in India. The Company owns and operates a network of over 4,000 kilometres of pipeline, including a 2,702 kilometre pipeline located in north-western India (the "HBJ" Pipeline"), which currently transports approximately 61 million cubic metres of natural gas per day, representing approximately 95 per cent of the total amount of natural gas transmitted by pipeline in India. The Company has also diversified operations in other integrated energy and petrochemical activities. The Company operates five plants which process natural gas to produce liquefied petroleum gas and a petrochemical complex, which produces high density and linear low density polyethylene and butane. For the fiscal year ending 31st March 1999, the company had total operating revenues of Rs.6,760 crores and net profit after tax of Rs.1,060 crores.

Paid up capital of the company is Rs. 845.3 crore representing 84.53 crore shares of Rs.10 each. Till date, about 27 crore shares out of Government's equity in GAIL have so far been sold by the Government. At present, after the recent GDR issue, the Government holding in GAIL stands at 67per cent.

Disinvestment Commission, set up in August 1996, had recommended in February 1997 that 25 per cent of equity in GAIL i.e., 21 crore shares should be disinvested in international and domestic market.

The Cabinet in July 1997 approved disinvestments of 21 crore shares of Government holding in GAIL.

Consequently, Global Depository Receipt (GDR) issue of GAIL was launched in October 1997 with a mandate to sell up to 20 crore shares of face value of Rs.10 per share at the minimum price of Rs.125 per share, against the domestic price of Rs.160 per share at the time of approval. The book-building process was followed. On account of extremely low demand even at the prices below the minimum approved price, the issue was withdrawn.

The Cabinet, in July 1998, renewed the mandate for disinvestments of 20 crore shares of the Government equity in GDR and domestic markets with a retail offering to follow up to one crore shares.

In pursuance to the above decision, it was decided to go in for domestic issue by following book-building process, as it would be indicative of "Fair Price" to the issuer as well as the investors. Consequently, about 3 crore shares (against an offering of more than 8 crore shares) have already been disinvested in the domestic market in February 1999, at a price of Rs.60 per share. The retail price, at that time, in the domestic market was about Rs.66 per share. Out of these shares, Foreign Institutional Investors (FII) had purchased about one crore shares.

The Cabinet Committee on disinvestments, comprising the Prime Minister; the Industry Minister; the Human Resource Development Minister; the Finance Minister; the Minister of administrative Ministry; and the Deputy Chairman, Planning Commission, at their meeting held on 6th July 1999, had approved the disinvestments of the remaining 17 crore shares, held by the Government in GAIL, in the GDR market.

The Group of Ministers - the Finance Minister, the Industry Minister, the Petroleum & Natural Gas Minister -- in the third week of October 1999, approved the proposal of Core Group of Secretaries that the Pricing be determined on the basis of market-driven best possible price and the final price would be brought before the Group of Ministers for approval after the Road Shows and the 'book-building' exercise is completed and that it was possible that this price may be at a discount, or, at a premium to the prevailing domestic market price.

The demand for the GDRs was ascertained in major financial markets of the world during 22nd October, 1999 to 4th November, 1999. The GDR demand was equivalent to about 35 crore of shares of GAIL, which works out to about two and half times the size offered for disinvestment (13.5 crore shares excluding green shoe* option of 2 crore shares). This is a positive sign, particularly when several other Global Issues were competing for funds in the same market, and also the fact that this was the first disinvestment by the present Government. Thus, GDR issue affirms the growing faith and confidence of international investors in the fundamentals of the Indian economy, the forward-looking policy measures being undertaken by Government, the disinvestment programme and policy of

Government and the confidence of international investors in GAIL as a company.

Note:* "Green shoe" option is a mechanism to stabilise post issue price in the Market over a period of 1 month. Essentially, it means that up to 2 crore shares can be further released in the market to manage price volatility. It has not been exercised as yet as the post issue trading price has been hovering around the issue Price ($9.67 per GDR; 1 GDR is equivalent to 6 shares).

The selling price of the GDRs was determined at the conclusion of the Book-building exercise which represented the price at which there was sufficient demand from investment companies for the GDRs on offer.

Book Building process essentially means market driven prices, i.e., the price that the investors are prepared to pay for a particular share at a given point of time (governed basically by prevailing market conditions). The Disinvestment Commission had also recommended in February 1997 that the system of "Book Built" prices be followed. Government had accepted the same for disinvestment in the GDR markets. Finally Government successfully carried out disinvestment of 13.5 crore shares (excluding green shoe option of 2 crore shares) of Rs. 10 each of Gas Authority of India Ltd. (GAIL) through issue of GDRs in the international markets at a price of Rs. 70 per share. The gross proceeds from the Issue were Rs. 945 crore. With the above disinvestment Government's stake in GAIL has come down from about 83% to 67%.

Book value of a GAIL share is about Rs. 48(Forty eight). Its face value is Rs. 10(Ten). Domestic investors offered a price of Rs. 60/- (sixty) only in February, 1999, that too for a much smaller number of shares (3 crores). The price of Rs. 70 per share at which disinvestment has now been carried out is 17 (Seventeen) per cent higher than the domestic issue price of Rs. 60/- (sixty). Thus, the price of GAIL's share (Rs. 70/-) is the best possible price (determined by market) at the time of sale in GDR market. Higher price might have been achieved had the Government sold its equity by strategic sale, i.e., 26% or more. However, the Government has not gone in for strategic sale because there is no intention to give up the management control. It is emphasised that GAIL is professionally managed and a competent P.S.U. The fact that the prevailing market price of GAIL GDRs have not shown any abnormal fluctuations, vindicates that the pricing of

GAIL GDRs was sound and transparent. Presently, the GAIL GDRs have been trading in London Stock Exchange in the range of $ 9.4 to $ 9.8 per GDR (equivalent to 6 shares) against the issue price of $ 9.67 per GDR.

SHRI DIPANKAR MUKHERJEE : I am speaking here not out of anger, but with a lot of anguish. मुझे खयाल है जैसे महाभारत में अर्जुन जब कुरुक्षेत्र में खड़ा हो जाता है, he stands and pauses - सामने भीष्म पितामह, कृपाचार्य, द्रोणाचार्य, ये सब हैं तो तरकश से बाण निकालूं या नहीं? Today, I find many faces here. This statement would not have been necessary. I have been reaffirming ...*(Interruptions)*... Please listen to me. It is a wastage of time. ...*(Interruptions)*... This is not required. I do not want it. I speak with a lot of anguish. I see many faces. I see Mr. T.N. Chaturvedi; I see Mr. Goel. I see many other faces who have been on this side and on this issue if such a statement would have come I know उनके तरकश से कौन से बाण निकलते हैं, आज वही बाण उन्हें चलाने पड़ रहे हैं । This is the anguish I have and nothing else.

I will cut point by point what has been said here. It is a straight case of a distress sale for resource mobilisation for the second generation reforms of Mr. Yashwant Sinha. The reply has to be given by Mr. Naik. I only hope that the reply,will not be like earlier one.

On the 29th of October, during the Short Duration Discussion, I had raised some questions, and the Minister promised me here that point-by-point replies would be sent. Till now I have not got replies to those points. I got an acknowledgement. That also took 20 days to reach from Shastri Bhavan to my office in Parliament House.

Anyway, I start with the Disinvestment Commission. A number of references are there to the Disinvestment Commission Report. These are the general recommendations of the Seventh Report of the Disinvestment Commission, given in March, 1998. The first recommendation was to establish a Disinvestment Fund before you start disinvestments. This is recommendation No.1.31. Why? The Disinvestment Commission says:

"The Fund could also help the Government in undertaking the disinvestments at the most opportune time in the market for the maximum realisations."

My question is: have you accepted that? Has this money got out of the disinvestments of the Gas Authority of India Ltd. gone to the Disinvestment

Fund? Or for what purpose? What is the objective of these disinvestments? Is it going to help the petroleum sector? Is the money going to be utilised for that? Is the money going to be utilised for the Gas Authority of India Ltd? Where is this money going? For what purpose?

The Disinvestment Commission had also recommended, and I quote:

"Delink the disinvestment process from the budgetary exercise of the Government."

"The action taken by the Government is this. Here it says:

"Decision awaited."

Would the Minister assure the House that this disinvestment is being done delinking it from the budgetary process, meaning, revenue or budgetary deficit?

Coming to the company, you have written certain things about the company. On that point, we both agree. I have also figures. This company is a strong performer, as per the definitions or the norms they are using for strong performer or poor performer. Do you accept that the financial condition of the company is good? Is it a strong performer? I must tell the House that apart from making profits during the last four years, I have the Annual Report, it has been a tremendous performer. During the last four years, its turnover has gone up from Rs.4,000 crores to Rs.6,000 crores. That means a 50 per cent increase within four years. It is a tremendous performance. Not only that, but also this company, which is a Navratna company, has contributed Rs.1.5 billion to the National Defence Fund for Kargil. The fellows who are coming, those who are taking your shares, are in Maharashtra. I want to know from the hon. Minister how much money has Enron contributed to the National Defence Fund? It is one of the takers of the shares. ...*(Interruptions)*

No, don't clap. We must think about what we are doing and where we are going.

So far as the GDR issue is concerned, before the GDR issue was launched outside, the Government's equity participation was about 92 per cent. Some disinvestments had already gone into the domestic market. What did you achieve by that disinvestment of 8 per cent? Can you tell me the parameters? You have brought the Government holding down to 67 per cent

now. I am talking from the point of the interest of the Petroleum Ministry as well as the company.

What did you achieve with the disinvestment of 8 per cent so far as this company is concerned. I want your reply in parameters, not in general terms. वह बहुत बढ़ जाएगा, शेयर होल्डर्स बढ़ जायेंगे, यह हो जाएगा Not that. What were the parameters we could achieve by that disinvestment of 8 per cent and what are the parameters you are trying to achieve by disinvestment of 25 per cent through G.D.R. so far as this company is concerned.

When you decided to disinvest, you said that the Government was a continuing entity. This reply was given taking into consideration that the Government was a continuing entity. This company's 100 per cent equity or 92 per cent equity is the Government's money. It is no longer what Mr. Chidambaram did or what you are doing. We, as shareholders of the company are accountable to the people. You have to answer. When the Government decided to disinvest 25 per cent of its securities through GDR route -- GDR issue was launched in October 1997-- the reserve price was fixed at Rs.125 per share. They got Rs.115 or something like that against Rs.160 price per share. The Government, in its wisdom, decided that it must be deferred. Why was it deferred? What was the reason? Here I find a lot of -- I cannot use that word -- truth or untruth. I find a lot of contradictions. You must reply to this question. Who is correct? I would like to know whether your reply here is correct or the statement made in the Directors' Report at page 3 is correct. You have said: On account of low demand, even at the prices below the minimum approved price, the issue was withdrawn. There was a low demand in the market. This is what the hon. Minister is saying. Rs.125 per share was found to be low, because the demand was low. Now, what does the 1997-98 Annual Report say about the same issue? This is from the Annual Report of the Gas Authority of India Limited, 1997-98. It says: "your company was received well by the international investors' If a company was received well by the international investors, does it indicate here that it was as because of the extremely low demand. Who is correct? I would like to know whether this Directors' Report is correct or this statement is correct. I feel the Directors' Annual Report is correct. It specifically says that the company was received well by the international investors. However, due to the unexpected crash of international stock market, the international offer of equity was deferred by

the Government of India. This is the crux of the question that we are talking about. What has happened between October 1997 and November 1999? What was the change in the position? You also admit that the company is performing strongly. Its financial position is good. Then why has it fluctuated? The Finance Minister in a reply given here said that this price of Rs.70 per share is a market driven price. हमें शेयर के बारे में ज्यादा मालूम नहीं है। None of us are owning the shares like Harshad Mehta. सीधी सी बात है मैं अपना घर बेचने जाना चाहता हूं। I want to sell my house. If you admit that it was a distress sale, I will sit down. जब मैं घर बेचने जाऊंगा, जब जरूरत पड़े, कुछ भी मिले, If it is not a distress sale, then I will wait for the best market conditions. Do you agree with this perception or not?

SHRI JIBON ROY(West Bengal): This is the perception of the common man.

SHRI DIPANKAR MUKHERJEE: I am talking of the ommonman.

श्री संघ प्रिय गौतम (उत्तर प्रदेश) : अगर घर बेच दोगे तो रहोगे कहां?

एक माननीय सदस्य: कम्युनिस्टों का घर होता ही कहां है?

SHRI DIPANKAR MUKHERJEE: What was the perception? If in 1997, Rs.115 or Rs.125 was the perception, as the Finance Minister says the market driven price was Rs.70, that is why this was done. Should I wait for the market? Does the petro-chemical sector, oil sector -- the Leader of the House knows, not the Minister of Petroleum, I know his expertise on the subject -- not have a cyclic market? Couldn't you see it for the last five or six years? If it is a cyclic market, should I not wait for the market? There is a reply by the Finance Minister on this issue, he is not here, that is another problem. There is a reply by the Minister of Heavy Industry because public enterprises comes under his Ministry. The Minister of Petroleum also gave a reply. The Finance Minister said, "What should we do? The investors' will not invest the money. They will not purchase the share when the value is high. It has to be looked, only then, it could be purchased." Do you also agree to the perception of your Finance Minister?

SHRI RAM NAIK : I don't agree with you. Why should someone else purchase?

SHRI DIPANKAR MUKHERJEE : Should I say, why?

SHRI B.P. SINGHAL (Uttar Pradesh) : Mr. Chairman, Sir, the hon. Member is repeatedly addressing,"you, you, you". Honourable Members are supposed to address the Chair. ..*(Interruptions)*...

SHRI RAM NAIK : Mr. Chairman, Sir, I thought that I should respond to all the queries together. But if the hon. Member wants me to reply on this point ..*(interruptions)*..

MR. CHAIRMAN : He has not yet finished.

SHRI RAM NAIK : If I reply, he will sit down, and there will be no further questions. If he wants, I am ready to reply.

SHRI DIPANKAR MUKHERJEE : Are you agreeing?

SHRI RAM NAIK : I will agree to reply. Other hon. Members are also interested in listening to my reply and put more questions. If other Members are not interested in putting questions, I am ready to reply to all the questions which the hon. Member has raised.

SHRI DIPANKAR MUKHERJEE : Earlier, I got an assurance. It was never fulfilled. The same assurance was given on the 29th October. ..*(Interruptions)*... He has not given a single reply.

SHRI GURUDAS DAS GUPTA (West Bengal) :Will the hon. Minister have the patience to listen to every hon. Member? That is the way, one should follow.

SHRI RAM NAIK : I am trying to explain ..*(Interruptions)*..

THE LEADER OF THE OPPOSITION (DR. MANMOHAN SINGH) : It is highly improper, the way the Minister is behaving. ..*(Interruptions)*..

.DR. BIPLAB DASGUPTA (West Bengal) : The Minister has made a statement. Now, the Member is making a speech. He should be allowed to speak, without any interruption. What is this?

SHRI PRANAB MUKHERJEE(West Bengal) : When the Member is speaking, the Minister takes notes. At the end, the Minister gives his reply. Let all the Members seek their clarifications. We cannot have a new practice for the convenience of the Minister.

SHRI DIPANKAR MUKHERJEE : It is all right. They will allow.

Now, I will come to the GDR issue. In the GDR issue, the main document on which the price fixation is done is known as an " offering circular".. This offering circular is like a prospectus for the domestic issues. An offering circular is made by the leading managers, fixed by the company,or, the Government, or, whatever it is. My query to the hon. Minister and other allied Ministries is : Would the Government place on the Table of the House the offering circular which he has presented, which was finalised, printed and distributed in October, 1997, by the then Government, which did not accept that Rs.125 per share? Would the hon. Minister also agree to place on the Table of the House the offering circular for the last GDR issue, along with all the documents? That is the main issue, document, based on which we can talk about this Book Building on which the Minister has devoted five to six paras. After all your explanation on Book Building, I don't think it requires any clarification or queries. What is the Book Building exercise? If you were having Rs.115 or Rs.125 as the share value, today, you are getting Rs.70. What was this Book Building exercise? Is the Book Building exercise meant to see that shares come down in two years? I would like to know about that offering circular. That is a major document which must be gone into by the House to find out as to how the share prices were fixed. Are you prepared to do it for both? Are you prepared to table both documents.

I have four to five questions to put, then, I am done.Now, you want to disinvest. You have said that you have made a lot of exercise. Within twenty-five days after coming to power, you went in for the GDR issue. The whole thing was done just like a fly-by- night operator. It was not like that of a strong financial company which waits for its own time. Who decided the time that this was the best time to sell the shares? Who decided it? In the GDR offering, was there any such other case? Wherever disinvestment has been done, as per our knowledge, that offering was only restricted to the institutional investors and never for global corporates. Some other disinvestment has been done in domestic and other sectors. Was it always restricted to the institutional investors and never to the competitors in the market? That is the crux of the problem. The Government is still silent about all the newspaper reports. How have Enron and British Gas taken some shares in this particular issue? Were you aware of it? Who were the leading managers appointed from your side? Were they aware that Enron and British Gas are also taking shares? How could they take these shares?

Will the hon. Minister inform the House that out of 13.5 crores shares, how many shares have been taken by Enron and British Gas? If the reply is in the negative, will he give an assurance here that none of these shares has gone to them? They are the global competitors of the Gas Authority of India Limited and the Gas Authority of India Limited is a Government company. The Parliament was told that it is one of the Navaratanas. What is the objective of the Navaratanas? The objective of the Navaratanas when it was notified was that they would make them global players. In their annual report of 1998-99--"The Vision of the Company" which is being carried out by the employees--they have mentioned it. What is the vision of the company? It will be a global player. And what does a global player do? You know it, Sir. The global player gives share to his global competitor in the GDR market, and they will try to justify it! The fundamental principle is that even if one share has gone to the competitor, all of us should feel ashamed of that because we are the repository of the public faith in this company which has earned so much of profit. This is my point. Will he clarify this point? The Minister has stated two, three points in this report. As a matter of fact, it does not look nice for the Minister to clarify these things. It is not his job. But he is forced to do it. I will conclude my speech after making four points. The Minister in his statement has tried to justify that in November 1999, the price of Rs. 70/- per share is 17 per cent higher than the domestic issue price of 16th February, 1999. It has been mentioned in the statement. I am referring to the stock exchange figures. This is how the high and low price is shown. Now, my question is, in February 1999, Rs. 68/- was the high price and Rs. 55.05 was the low price. The average price was Rs 61.72 paise. The value of the share was Rs. 61/- and then the issue price was Rs. 60/-. It can be justified. In October 1999, what was the share value as per the listed value? As per my information, in October 1999, Rs. 105.80 was the high price and Rs. 77/- was the lowest price. The average price was Rs. 91.40 paise in the month of October. If Rs. 91/- was the share price in October 1999, how do you justify its selling at Rs. 70/- per share in the GDR market in the U.K.? *(Interruptions)* I am coming to the most debatable point as to how much we have lost. As per my calculation, we have lost about Rs. 600 crores. Now, the pricing of GAIL shares was based on book building process. So, it does not require a reply. Book building process means that price should not come down. Why should it come down? What is the loss? By not selling it at Rs. 125/- per share and by

selling it at Rs. 80/- per share, the total loss which we have now is Rs. 600 crores if you multiply it by 13.5 crores. If you had, by book building, increased the share price, I could have understood that. But we have lost! When you have lost, lost and lost, how do you ensure this that you will not lose in future? There is a loss of Rs.600 crores to the Exchequer. The book value of the Gas Authority of India Ltd. share is Rs.48/- against its face value of Rs.10/-. I think that is given in para 12 or para 11. You are trying to justify--I think you are giving March 1999 figure--that today the book value of a Gas Authority of India Ltd. share is Rs.48/- Are you trying to justify Rs.70/- or Rs.80? My point is this. The book value is Rs.48/- now. On 31.3.97, it was Rs.30/-. On 31.3.98, it was Rs.40/-. When the book value was Rs.30/-, I was getting Rs.115/- there. When the book value is Rs.48/-, I am getting Rs.80/- or Rs.70/-, whatever it is. How does the book value come into the picture? How do you justify this decision? I am summarising all these questions. From the defensive statement of the Minister and from the type of statements coming from here and there, one thing very clear is that you are doing disinvestment, specifically the way the Enron and GAIL shares are sold. Mr. Naik may not be knowing it; he was Chairman of the Public Accounts Committee, if I am not mistaken. What you are doing is disinvestment. We are totally opposed to it, but among those who are in favour of disinvestment, there is a typical case of chronic capitalism . That is not the way of dispensing public money. In Navratna, this is the way it is being sold overnight. There are many people here. There are many Members sitting on this side and that side of the House. Do they understand the accountancy of this business? Who is doing this?

You have not accepted all the recommendations of the Disinvestment Commission. The recommendations of the Disinvestment Commission would have been made by a group of Secretaries, and all others; I have high regard for them. But can you leave it to them? Are you going to leave it to them? So long as the Gas Authority of India Ltd. remains under the Government, is it under the parliamentary control or the executive control? My question to the whole House is this. I remember in the Bailadilla case I had put the same question, I am telling you again that we have not changed; this is the problem with us; we are static; we do not change. So long as it is under parliamentary control, can it be left to the executive control without any parliamentary control over it? Parliament does not know; we read from the newspapers that this Company's 25 per cent share has gone! This has

gone to Enron and the British Gas. Now I go on asking for a Calling Attention, again a Calling Attention and a Short Duration discussion, and the Minister, whosoever is there, will agree अच्छा अच्छा दे देंगे। उसके बाद में जवाब कुछ और बोलेंगे । कुछ कारगिल लाएंगे, पोलिटिक्स लाएंगे और बाद में कुछ और जवाब दे देंगे । रात गई, बात गई ।

The whole thing is over! Could you not think about some more transparent mechanism to find out to dispose of it. I do not want to dispose of it. If you want to dispose of it also, we are against the disposal of national assets like this. If you are in favour of it, sitting both on my left and on my right, have some sort of a transparent mechanism. Is this the way for the Minister to reply as to how to follow the book building process? This can be done by a chartered accountant. Policy-wise you tell me what is the justification. Is this the Distress Sale of a company which has given Rs.15 crores to the National Defence Fund? Who contributed?

All the employees. They are workers of a public sector company. Very bad! They have made a contribution of Rs.15 crores to the National Defence Fund.

पांच सौ करोड़, छः सौ करोड़ रुपया आपको चाहिये । सौ करोड़ हिन्दुस्तानी अगर एक एक रुपया भी दे तो आपको इतना पैसा दे देंगे ।

Why do you have to go in for this? And if there is a distress sale, you tell us what the nature of distress is. We will share it. You go on doing all these activities.

शिखंडी की तरह सामने खड़ा कर के यह कर रहे हैं, रिस्ट्रक्चरिंग हो रहा है, वह हो रहा है। यह पैसा तो यशवंत सिन्हा के लिए, बजट डेफिसिट को पूरा करने के लिए जाएगा Why don't you say "accept it and come before us"? So, kindly come transparent and clear before this house. Let the House decide about it. This is absolutely a sell-out, a sell-out which cannot be accepted, which is ordinarily not expected from people like you, I am sorry to say that.

MR. CHAIRMAN: Shri Peter Alphonse, not there. Shri Prabhakar Reddy, not there. Shri Ramachandraiah, not there. Shri Margabandu.

SHRI R. MARGABANDU (Tamil Nadu): GAIL is a profit-making company. It is laying golden eggs. But this Government wants to sell all the major shares to foreign companies at a distress rate of Rs. 70/- per share,

whereas the mandated issue price is Rs. 125 per share. What necessitated this Govenment to sell at a lower price? What is the compulsion? I would like to know whether there is any underhand dealing in selling these shares at a lower prices. Most of the foreign companies, like Enron and the British Gas , have purchased major shares. There is a possibility that these foreign companies will walk away with all the shares, especially, when it is being said that the profit of the company is about one thousand and sixty crores of rupees. When a Company is running at such a profit, what is the compulsion for the Government to go for selling these shares at a distress rate of Rs. 70/- per share? I would like to have the answers for all these from the Government.

SHRI K. RAHMAN KHAN (Karnataka): The sale of Gas Authority of India's shares -- it is not my opinion, it is the opinion of the experts - to Enron and the British Gas Company looks to be another shady deal. The mandate given to the Government by the Disinvestment Commission is to disinvest 25 per cent of the equity of the Gas Authority of India to international and domestic market. It is not said that you should go to the international market alone. What is very painful is that this company being one of the largest natural gas companies in India, with best fundamentals which can be compared with any of the top quoted companies in the country- last year it had got 120 per cent return on equity; they are stressing on the book value and they are not talking about the intrinsic value of the assets of the company. Sir, the share market depends upon the profitability, the turnover, the dividend paying capacity and also the intrinsic value of the assets. I can give an example. Even if some 50 years back I purchased my house at, say, Rs. 10,000, I would look into today's market value and the intrinsic value which may be ten crores of rupees. I will not say that my book value is Rs. 10,000/- and I am giving it for Rs. 40,000/-. I have compared the market value. The hon. Minister said, book-building method. They have not done that exercise. If they had done that exercise, taken some more time, played properly in the stock market, probably, they would have got Rs. 200/- for each share. Then, they have sold the shares to their competitors, the Enron and the British Gas Company. They could have negotiated. I mean, not that they should sell it only at what is there as the market rate.

MR. CHAIRMAN: Hon. Members, now it is 1 o'clock. Let me take the sense of the House. Should we continue with this?

SHRI GURUDAS DAS GUPTA: Let us continue till we dispose it of.

1.00 P.M.

श्री संघ प्रिय गौतम : नहीं लंच के बाद।

कुमारी सरोज खापर्डे (महाराष्ट्र) : लंच के बाद करिए।

MR. CHAIRMAN: All right. Is it the view of the House?

SHRI GURUDAS DAS GUPTA: No, Sir, we will continue.

MR. CHAIRMAN: Okay.

SHRI K. RAHMAN KHAN: Sir, when the Disinvestment Commission has given them a mandate, they should have taken all the precautions to get the maximum price. Heavens would not have fallen if they had delayed this disinvestment, instead of selling it at Rs.125 per share, which was fixed in 1997. Now, I will tell you that they have not done this book-building properly. There are competitors to take it in the market, for example, the Gujarat Gas company. It is a company with an equity of Rs.128 crores, with as much profit-earning capacity as the GAIL. Its share of Rs.10 is quoted at Rs.621 in the market. There are some other companies like MTNL. Its share, with a book value of Rs.99, is quoted at Rs.209 in the market. The BHEL's share, with a book value of Rs.126, is quoted at Rs.244 in the market. The direction given by the Disinvestment Commission and various other commissions is that you should play properly in the stock market. If you are going to the GDR market, you should raise the value because its fundamentals are excellent. It is not a manipulated rise in the price. The fundamentals of this particular Navratna company is excellent. What were they doing? They could have given a higher rate of dividend. They have kept the dividend at the minimum level. The dividend paying capaicty also reflects in the market. When you make a profit of thousand crores of rupees, if you declare only 20% dividend and quote the value at Rs.160, naturally, the market will not appreciate your economics. You should have declared a higher dividend. The IOC has declared 40% dividend. The IOC has built up its share value. That is how you have to build up your share value. No homework has been done. We would like to know from the hon. Minister whether you have offered it to the domestic market. There are various reports which have appeared in the newspapers. If you had offered it to the domestic market, you would have got a better

price than what you have got in the GDR market. There are reports. What made the GAIL to sell its share at Rs.72 per share? It is reprehensible. It is a fact that a big chunk of equity went to the Enron Corporation and the British Corporation, which are its competitors. If there was no negotiated sale to either of these two companies, the market would have fetched a price anywhere between Rs.150 and Rs.200 per share. More importantly, if the companies were going to be allowed to bid, why should the domestic comapnies be barred from acquiring shares of a State-owned firm? I am fairly sure that the domestic companies would have definitely offered a better price. I am told, the Reliance had offered a better price. *(Interruptions)*....

SHRI GURUDAS DAS GUPTA: Are you campaigning? *(Interruptions)*....

SHRI K. RAHMAN KHAN: I am not campaigning. I am reading from a report. *(Interruptions)*...

SHRI GURUDAS DAS GUPTA: You don't go into that. You go into something else. *(Interruptions)*...

SHRI K. RAHMAN KHAN: No, no, please. *(Interruptions)*...

SHRI VAYALAR RAVI (Kerala) He is only quoting. *(Interruptions)*...

SHRI K. RAHMAN KHAN: I am only quoting from a report. What I am saying is this. They have not tried in the domestic market. *(Interruptions)*... Just taking the name of Reliance doesn't mean that I am campaigning for it. I was just reading from a report.

Basically, the point of discussion for today is this. The Government has lost Rs.600-700 crores by selling these shares at this price. If they had gone in for a negotiated sale with this competitor, they would have got a better price. Now they will have to explain as to how this Rs. 70 was fixed, when on th basis of high and low, it went up to Rs.105. When the price of share was Rs.105, how did you arrive at this rate of Rs.70? Sir, another point is this. This company has fixed some intrinsic value for this share. I, myself, have worked out the intrinsic value.It should be more than Rs.250 per share. There are a lot of things which have to be looked into. I request the Government that a House committee be set up to inquire into all these aspects. How was the share disinvestment done? The Minister has admitted

42BORSIIA

that there should be transparency in the system. I would also like to know whether the Government wants to come clean on this. I would again request the Government that the House Committee be set up to inquire into all these aspects.

SHRI GURUDAS DAS GUPTA: Sir, I am very sorry to suggest to my hon.frined, Mr. Naik, that it is not a case of distress sale. I disagree with the proposition that it is a distress sale. Sir, I suggest, with all humility, that it is a manipulative sale. It is a sale, in collusion with the competitor of GAIL, to pave the way for taking over control of GAIL through backdoor. We have been witnessing all this over a period of time. Why do I say that it is a manipulating sale? Just look at the prices which he has quoted. The Government took the decision on disinvestment of GAIL in July, 1997. The news reached the market immediately. and, after July, 1997, the price went down. Why did the price go down? It was Rs. 160 in October, 1997. Suddenly, in February, 1999, the price went down to Rs.60. When the shares were being sold in the GDR market, it went down. it was only Rs.70. I would like to know as to from which source this information of disinvestment was leaked out. The Government should inquire into this and find out. After the market became aware of the disinvestment plan, this news was given to the market, or, to the competitors, that there was a hammering out of the price of GAIL. The price of GAIL shares were hammered out. It was a deliberate action on the part of those who made the decision; those who were there to buy the share; and those who would like to make money out of this under-sale. Three forces were involved. It was hammered out to get the benefit. The Government knew that it has been hammered out. From Rs.160 it came to Rs.60 and then to Rs.70. What was the market price at that time? मुम्बई में मुम्बई स्टॉक मार्किट का खबर आपको रखना चाहिए । सर, दाल में कुछ काला है। ..(व्यवधान)...

श्री मोहम्मद सलीम (पश्चिमी बंगाल) : सर, दाल कम है, काला ज्यादा है ।

श्री राजूभाई ए. परमार (गुजरात) : पूरी दाल ही काली है ।

श्री गुरुदास दासगुप्त : सर, दाल में कुल काला है ।

Sir, there is something extremely wrong in the whole process of decision making, disinvestment decision of the Cabinet, sale out, and everything. There is something wrong. It is not a failure to understand the

4180 RS IIB

market. Please don't give this benefit of doubt to the people who did it. It is not a failure to read the share market. It is not a distress sale. Please don't exonerate them of the responsibility. It is a conscientious, collusive and manipulative sale. The benefit was given to the buyers. Out of the under-sale somebody made money somewhere. Why am I saying so? When the BSE Index was going up before Kargil and after Kargil, when the price of shares in the BSE was going up-- at that point of time, the Index even reached 5000 point-- when the market was volatile, the price of GAIL was going down. How did this reverse trend occur? How did this contradictory trend occur? This should be explained if we don't attribute it to hammering out of shares. The hammering out of the shares had taken place with the intention of buying the shares at a cheaper price. Therefore, it is not that simple. Mr. Minister, you are a simple person as it appears. Don't go by the reports prepared by the bureaucrats. Please explain to me why there was a constant decline in the price of shares of GAIL when the market was volatile. When the market, particularly, for GAIL was so bad, then why did you go for disinvestments? Why didn't you postpone it? At a particular point of time the Government had postponed it. Why was it not further postponed? What was the hurry? I can understand your hurry to pass the IRDA Bill because there was a commitment. Is it true that in this case also you had a commitment to some people? Why was there such a hurry? Why was it not held up? Sir, there is another important thing. The Disinvestment Commission is not sacrosanct. The decision of the Disinvestment Commission is not sacrosanct. I can give you a number of examples when after the proposal for disinvestments was made by the Disinvestment Commission, the Government had gone back to the Disinvestment Commission suggesting that it should not be offloaded, it should not be disinvested. Why didn't you in this particular case think it proper to go back to the Disinvestment Commission? Since it is a sterling company, since it is one of the best companies we are having, why didn't you go back to the Disinvestment Commission suggesting that it should be shelved that the decision of the Disinvestment Commission should be shelved? Why didn't you go for it? You have gone back to the Disinvestment Commission on a number of occasions. Why didn't you go back to the Disinvestment Commission in this case? It seems that somebody who was interested in under-sale had prevailed upon the Government not to go back to the Disinvestment Commission. Is it true that ENRON is having a clout over the

Government? Is it true? Is it true that a foreign gas company is having strong links within the state apparatus of the country? If it was for Rs. 70/- in the GDR, why did you go for GDR? It could have been sold in the open market.

DR. BIPLAB DASGUPTA: Even in the Indian market.

SHRI GURUDAS DAS GUPTA: Of course. Mr. Minister, how do we decide the book value? How foolish the people who decide the book value are! Who are they? Sir, I understand that the nominal value is Rs. 10/-. How was it defined to be Rs. 48/-? Who did it? What is the economic fundamental? That is also a deliberate under-statement.

The people looking after GAIL in order to protect the under-sale, deliberately did it. It is arbitrary. Which is the consultancy company either in India or abroad which had monitored your sale price, book value and everything? Who did it?

Who is that auditor? Who is that financial expert? Let us know his name. बुक वैल्यू 48 आप बोल रहे हैं, हमको ऐक्सैप्ट करना होगा ! हम भगवान हैं ? हम भगवान नहीं हैं । इसलिए भगवान मत बन जाइए, मेहरबानी करके । Sir, please ask the Minister not to become a wizard. Financial wizard आप नहीं हैं । आप तो फाइनेंस नहीं जानते हैं। मेहरबानी से कबूल मत कीजिए कि बुक वैल्यू 48 है। This is an unjustified book value. This book value was determined, with the intention of paving the way to sell the GAIL shares at Rs.70. As my friend, Shri Pranab Mukherjee, was saying, such a brilliant company's book value was fixed at Rs.48, when the index in the stock market was going up to 5,000. Please understand this. Sir, you had been in this House; you had been exposing a number of financial scandals. This is nothing less than a notorious financial scandal that we have ever come across. It is a notorious financial scandal. The book value was decided at a price which could justify the sale at Rs.48. And the price in the open market came down, after the disinvestment decision was taken by the Cabinet. The price was hammered because somebody was waiting in the wings to buy the shares; somebody was waiting to buy the shares. Therefore, to oblige them, -- you are too much of an obliging Government -- this was done...*(Interruptions)* Let us not talk of Reliance. It is not required...*(Interruptions)*

SHRI MD. SALIM: Mr. Rahman Khan was saying that there was no home-work done. You are saying that there was a back room activity.

श्री गुरूदास दासगुप्त : बैक रूम नहीं होता, बैक डोर होता है । It was all manipulated, calculated, and there was a deliberate collusion. It is a case of loot. It is a case of giving benefit to the buyers who are not Indians, but who are multinationals. ऐनरॉन को तो आपने बहुत सुविधा दी है बंबई में । और कितनी सुविधा देना चाहते हैं आप ? You had given enough benefits to Enron. Not this Government alone; both these Governments had given enough benefits to Enron. How much more would you like to give? Therefore, in the fitness of things, I strongly demand that there should be either a judicial inquiry or a parliamentary probe. There must be either of the two. I am leaving it to the broad option of the overnment. There has to be an impartial inquiry, and the people must be hauled up. Either agree to a judicial inquiry -- put any Supreme Court judge on the job -- or, you make a parliamentary inquiry. It is your option. Sir, I wish to take this opportunity to tell you that this Government is being haunted by the widening gap in the Budget; it is being haunted by the fiscal deficit, unmanageable fiscal deficit. They are selling the family silver to meet the grocer's bill. They are selling our assets to meet the grocer's bill. This is a sign of insolvency. This is a sign of bankruptcy. If you sell the assets, if you use that money for the creation of other forms of assets, then it is okay. But if you sell the assets to meet your daily bill, then, it becomes clear that you are on the verge of insolvency. Sir, therefore, I urge upon you, -- Mr. Krishna Kant was known for his fine propriety even before he became the Chairman of this House -- I appeal to you, let the Government agree either to a judicial inquiry or to a parliamentary inquiry. Nothing short of this can absolve it of the criminality that has been perpetrated.

श्री रामदास अग्रवाल (राजस्थान) : उपसभाध्यक्ष महोदय, जो विषय इस समय हमारे सामने विचाराधीन है ध्यानाकर्षण प्रस्ताव के माध्यम से, उस पर मैं निवेदन करना चाहता हूं कि जब से इस देश ने उदारीकरण की व्यवस्था को स्वीकार किया है, तब से कुछ लोग ऐसे भी रहे हैं जिन्होंने इसे उदार मन से स्वीकार नहीं किया होगा लेकिन कहीं न कहीं किसी कोने में उन्होंने इसको स्वीकार कर लिया था। जब से उदारीकरण की व्यवस्था हुई, तब से डिसइन्वैस्टमेंट ऑफ पब्लिक अंडरटेकिंग्ज़ आरंभ हुआ । यह एक जाना हुआ तथ्य है और डिस-इंवेस्टमेंट जब कभी भी हुआ उसमें से हमेशा कोई न कोई स्केंडल बनाने का प्रयास हुआ। चाहे आप वहां थे तब, या हम यहां हैं जब। जो भी व्यवस्था बनी उस समय डिस-इंवेस्टमेंट के विषय पर चर्चा के समय निश्चित रूप से यह मांग खड़ी की गई कि इन

सारे सौदेबाजियों में कुछ गफलत हुई है, कुछ घोटाला हुआ है, ऐसी एक धारणा बना दी गई और उसी का परिणाम महोदय, यह हुआ कि यह गवर्नमेंट जब 1997 में थी उसने शेयर बेचने का निर्णय किया। उस समय हमारे दीपांकर महोदय और गुरूदास दासगुप्त जी, का उन सबका इस सरकार को समर्थन था, प्रबल समर्थन था। उस समय अक्तूबर, 1997 में गेल के शेयर बेचने का निर्णय किया गया और उस समय 120 रुपए या 130 रुपए प्रति शेयर मिलने के बावजूद उनकी हिम्मत नहीं हुई कि वह इस शेयर को बेच दें, क्योंकि उनके मन में डर था कि अगर वह आज 120 रुपए में बेच देंगे और कल मार्केट अगर 130 रुपए हो गया तो उनके ऊपर भी स्कैंडल का चार्ज आएगा। अब मुझे कई बार सुनकर आश्चर्य भी होता है कि हमारे दीपांकर साहब और हमारे गुरूदास दासगुप्त जी जब शेयर मार्केट की चर्चा करते हैं तो शायद उन्हें इस बात का अंदाज होना चाहिए कि शेयर मार्केट उनकी पार्टी की तरह किसी एक खूंटे से बंधा हुआ प्राणी नहीं है। शेयर मार्केट दिन में कई बार ऊपर-नीचे होता है। दिन में कई बार सैकड़ों बिन्दु ऊपर चला जाता है, सैकड़ों बिन्दु नीचे आ जाता है। यह शेयर मार्केट है।....**(व्यवधान)**...

डा0 विप्लव दासगुप्त : मेनीपुलेट भी होता है।

श्री रामदास अग्रवाल : सुनिए, आपकी सब बातों का जवाब तो मंत्री महोदय देंगे, मैं अपनी बात कहूंगा। क्योंकि यह एक खूंटे से बंधा हुआ व्यापार नहीं है। इसके अंदर रोज अप -डाउन होता है। मनमोहन सिंह जी हार जाते हैं शेयर मार्केट गिर जाता है। प्राईम मिनिस्टर अटल बिहारी वाजपेयी बन जाते हैं तो शेयर मार्केट चढ जाता है। अब इसका कोई आर्थिक आधार नहीं है, इसका एक राजनीतिक आधार भी है। इसका एक आर्थिक रूप भी होता है। यह कई प्रकार के समीकरणों से बना हुआ व्यापार का मार्केट है। यह केवल एक छोटे बिन्दु से चलता हुआ मार्केट नहीं है। इसमें रुपया कौन ला रहा है, इंवेस्टमेंट कौन कर रहा है, इसके अंदर कौन प्ले कर रहा है यह सारी बातें आती हैं तब शेयर मार्केट ऊपर-नीचे हुआ करता है और इसके कई आधार होने के कारण किसी एक आधार को पकड़कर आप शेयर मार्केट के बारे में अगर कोई चीज बेची या खरीदी गई है तो कोई निर्णय नहीं कर सकते। महोदय, मैं निवेदन इसलिए करना चाहता हूं कि यू0एफ0 गवर्नमेंट ने 120 रुपए मे बेच दिया होता तो आज सरकार ने जो 67 रुपए मे या 70 रुपए मे शेयर बेचा यह जैसा कह रहे हैं कि 600 करोड़ रुपए का लॉस हुआ, इसकी जिम्मेदारी किसकी है? आपने 130 रुपए में क्यों नही बेच दिया? किसने मना किया था? आपको क्या जनता ने मना किया था या किसी और ने आपको मना किया था। जब मन में यह था कि हो सकता है 125 हो जाए, हो सकता है उस समय के बाद 130 में आप नहीं बेच पाए। अब आप हम पर चार्ज लगा रहे हैं कि

आप 70 रुपए में क्यों बेच रहे हैं। आखिर हमारे पास अगर कोई चीज बेचने की है और हमे मार्केट में जाना है और यह हमने निर्णय किया है सामूहिक रूप से। जब हमें अपने शेयर डिस-इंवेस्टमेंट करना है तो स्वाभाविक रूप से मार्केट में आज उपलब्धता है, मार्केट में जो आज की प्राइस है उसी में हम बेच सकते हैं। उसके बाद कल क्या होगा और पिछले एक साल पहले क्या हुआ था, उसका आधार नहीं बनाया जा सकता। अगर आप यह निर्णय कर दें कि गवर्नमेंट के शेयर होल्डिंग को बेचा नहीं जाएगा, यह निर्णय कर दें, यह बात अलग है। फिर कोई कम्पनी या कोई भी सरकार शेयर्स नहीं बेचेगी। लेकिन अगर आपने शेयर बेचने का निर्णय कर लिया तो आप केवल इस आधार पर चर्चा करिए, इस आधार पर विचार करिए कि आज का मार्केट क्या है। अब यह अलग बात है आप प्रश्न उठा सकते हैं, मैं भी माननीय मंत्री जी से प्रश्न उठा सकता हूं कि आज आप बेचना क्यों चाहते हैं अगर आज का मार्केट आपके फेवर में नहीं है। मैं यह नहीं कहता कि कल आपके फेवर मे हो जाएगा। यह कोई प्रिडिक्ट नहीं कर सकता। इसलिए जब आप बेच रहे हैं तो उस समय दो बातें ध्यान रखने की आवश्यकता है। महोदय, पहली बात, आज आपको बेचने की आवश्यकता क्यों है और दूसरी बात कि आज जो मार्केट में प्राइस है क्या उस प्राइस के आधार पर आपने सही कीमत प्राप्त की है? मैं केवल यही निवेदन करना चाहता हूं मंत्री महोदय से कि जिस समय शेयर बेचने का निर्णय किया जाता है उस समय के मार्केट की प्राइस के बारे में पूरी जानकारी पूरे देश मे अगर प्राप्त होती है, - वैसे आजकल तो शेयर मार्केट के बारे में टी.वी. के ऊपर रोज दिन मे चार बार, छः बार जानकारी आती है, सब जानते हैं शेयर मार्केट का ट्रेंड क्या है, किधर जा रहा है, कौन सा बाजार किधर ऊंचा हो रहा है, किसका गिर रहा है। यह सब हम जानते हैं लेकिन सरकार क्योंकि सरकार है, यह इसके ऊपर जिम्मेदारी है । सरकार का पैसा सरकार का है, जनता का है । उसका दायित्व होता है कि वह सही ढंग से बेचा या खरीदा जाए इसलिए सरकार के सामने हमेशा ये धर्मसंकट बने रहेंगे । मैं निवेदन करना चाहूंगा कि हमने कई मैकेनिज्म बनाए हैं, हमने कई व्यवस्थाएं बनाई हैं कि शेयर होल्डिंग्ज़ को बेचने के संबंध मे हम कौन सा ऐसा पारदर्शी मैकेनिज्म बनाएं जिससे किसी मंत्री पर या किसी सरकार पर आक्षेप न आए । ये मैकेनिज्म बनाते-बनाते हमें पांच-छः साल हो गए। हमने कई ट्रायल किए हैं, कई एक्सपेरिमेंट किए हैं लेकिन उसके बावजूद स्कैंडल्स का चार्ज लगाया जाता है । इस सरकार पर भी लगाया जाना आपका अधिकार हो सकता है लेकिन कम से कम इस बात का अंदाज़ पहले करिए कि आज के मार्केट की परिस्थिति में शेयर बेचने का निर्णय अगर सरकार ने एक रुपया कम पर किया है तो सरकार जिम्मेदार हो सकती है लेकिन यदि मार्केट प्राइस पर उसने बेचा है तो सरकार बेचने के लिए अपराधी नहीं हो सकती, कम कीमत पर बेचने के लिए अपराधी नहीं हो सकती। यह सरकार का निर्णय है। मान लीजिए उसे पैसे की

आवश्यकता है, मान लीजिए उसे आज किसी प्रकार की अपने सरकारी खजाने की आवश्यकता है तो इसमें आपको क्या ऐतराज़ है? आखिर हम अपने देश के अंदर अपनी सरकार चलाना चाहते हैं। हम टैक्स लगाएंगे तो आप कहेंगे कि आपने दाम कैसे बढ़ा दिए? फिर आप सड़कों पर आएंगे। अगर हम अपने खजाने की पूर्ति के लिए कोई और दूसरा रास्ता ऐडॉप्ट करते हैं, जो आपने, सबने स्वीकृत मार्ग ऐडॉप्ट किया था डिसइनवेस्टमेंट करने का, उस स्वीकृत मार्ग से अब आप अलग क्यों हटना चाहते हैं ? आप उस स्वीकृत मार्ग पर ही चल रहे हैं । सवाल इतना है कि आप अच्छी प्राइस प्राप्त करें ।

महोदय, मैं मंत्री महोदय से एक और निवेदन करना चाहता हूं । मैं यह निवेदन करना चाहता हूं कि जिस कंपनी के शेयर्स को बेचा जाता है चाहे वह "गेल" हो या और कोई कंपनी हो, सरकार उस रुपए को कंसॉलिडेटेड फंड में ले जाती है, यह बात ठीक है, मैं भी समझता हूं क्योंकि हम भी राज्य में हैं, सरकार में हैं । सरकार की मजबूरियां, सरकार की आर्थिक आवश्यकताएं हम सब को समझनी पड़ती हैं लेकिन फिर भी मैं यह अनुरोध करना चाहूंगा मंत्री महोदय से कि कृपा करके जिस कंपनी के शेयर बेचे जाते हैं, उस कंपनी के उत्थान के लिए, उस कंपनी की प्रगति के लिए, उस कंपनी को और मज़बूत बनाने के लिए आप जो शेयर बेचते हैं, उसका कम से कम 50 परसेंट पैसा उस कंपनी को दीजिए ताकि वह अपनी तरक्की के लिए या अपने एक्सपेंशन के लिए उसे उपयोग में ला सके वरना सारा रुपया सरकारी खजाने में, कंसॉलिडेटेड फंड में चला जाता है और फिर वहां तो अथाह समुद्र है । हज़ारों करोड़ों का नफा नुकसान वहां पर होता रहता है । उसके आधार पर यह जो डिसइनवेस्टमेंट हो जाएगा, इसका अर्थ होगा कि हम अपने ऐसेट्स को बेच देंगे और उसका अर्थ होगा कि हम सारे ऐसेट्स बेचकर अपन खर्चों में, अपने नुकसान में, सब प्रकार की जो सरकारी व्यवस्थाएं हैं, आर्थिक कठिनाइयां हैं, उसको मीट आउट करने में वह लगा देंगे तो एक दिन ऐसा आ सकता है कि हमारे पास ऐसेट्स बहुत कम रह जाएं । मैं सरकार से यह निवेदन करना चाहता हूं कि सरकार के ऐसेट्स को बेचते समय कम से कम 50 परसेंट इनवेस्टमेंट सरकार के ऐसेट्स को बढ़ाने में जाना चाहिए ताकि जहां हम अपने ऐसेट्स का फायदा अपनी वित्तीय व्यवस्था को मजबूत करने में लेते हैं वहीं पर 50 परसेंट इनवेस्टमेंट करके, स्थाई इनवेस्टमेंट करके, उसको आगे बढ़ाने के लिए लगाएं ताकि उस 50 परसेंट की वैल्यू आगे दस या बीस साल बाद हो सकता है कि वही सौ रुपया एक हज़ार रुपए के लायक बन जाए । अगर खर्चे के काम में ले लिया तो यह सौ रुपया जो आपने इकट्ठा किया और खर्च कर दिया तो उसकी वैल्यू ज़ीरो हो जाएगी । इसलिए मैं निवेदन करना चाहता हूं अपनी सरकार से, हमारे वित्त मंत्री जी से कि हमें यह नियम बनाना चाहिए कि हम 50 परसेंट पैसा विकास के काम के लिए दें । विकास के काम का अर्थ है उस कंपनी की स्थिति

को मज़बूत करने के लिए, उसके काम का दायरा बढ़ाने के लिए, उसकी गतिविधि को तेज़ करने के लिए यह पैसा उस पर लगाया जाए। ऐसा मैं उनसे आग्रह करना चाहता हूं ।

महोदय, ये जो स्कैंडल की बातें होती हैं, मैं अपने मित्रों से निवेदन करना चाहता हूं कि हर चीज़ को स्कैंडल की दृष्टि से देखने से इस देश की आर्थिक स्थिति ठीक नहीं होगी । आर्थिक स्थिति को ठीक करने के लिए हमें हर बार स्कैंडल्स को बीच में नहीं लाना चाहिए । हर बार हर चीज़ को स्कैंडल का रूप दे देने से आर्थिक दृष्टि से निर्णय लेने में कौन आदमी सक्षम होगा ? मनमोहन सिंह जी सक्षम नहीं हो पाए, देवेगौड़ा जी सक्षम नहीं हो पाए, अटल बिहारी वाजपेयी जी सक्षम नहीं हो पाएंगे । यह इस सरकार का दायित्व है कि जो निर्णय लिया जाए, पारदर्शी निर्णय हो । यह बात आवश्यक होते हुए भी यह ज़रूरी है कि निर्णय जो होता है, उसके ऊपर अनावश्यक जब तक आपके पास कोई ठोस सबूत न हों तब तक केवल सुनी-सुनाई बातों के आधार पर जैसा कि हमारे गुरूदास जी जैसे सीनियर मैंबर ने कह दिया कि उन्हें इसमें बदबू आ रही है ।

अब मैं उनका क्या कर सकता हूं। उनकी आदत ही ऐसी पड़ गई है। वे हर चीज में बदबू देखते हैं और जब बदबू का सारा हिसाब उनके दिमाग में घुस गया है तो उनकी बदबू का इलाज कौन करेगा। हर काम में बदबू देखने से आप देश की आर्थिक उन्नति नहीं कर सकते हैं। हम आपके वेस्ट बंगाल में हर काम में अगर बदबू देखेंगे तो आप भी कुछ नहीं कर पायेंगे। सवाल यह है कि आज देश की आर्थिक स्थिति को मजबूत करना है। इसलिए जो निर्णय लिए जाते हैं , उनके प्रति जब तक आपके पास पक्के सबूत न हों, अनावश्यक स्कैण्डल बनाने की बात न की जाए, केवल अखबारों में छपवाने की दृष्टि से न किए जाए यह मेरा कहना है।...**(व्यवधान)**...

श्री नीलोत्पल बसु : हम थोड़े ही बोल रहे हैं। इन्क्वायरी करवा लीजिए।

श्री रामदास अग्रवाल : उन्होंने ही कहा है कि मैंने सुना है। अब सुनी-सुनाई बात के ऊपर आप इस सदन में यह कहते हैं कि उसमें स्कैण्डल हुआ है, उसमें भ्रष्टाचार हुआ है, उसके अन्दर यह गोलमाल हुआ है तो यह ठीक नहीं है। आप सदन में बोल रहे हैं। आपके पास ठोस सबूत होना चाहिए कि आप जिसके खिलाफ बोलना चाहते हैं उसके बारे में आपके पास सबूत है। बिना सबूतों के आप बात करेंगे तो यह उचित नहीं होगा। इसलिए मैं मंत्री महोदय से निवेदन करता हूं कि डिस-इन्वेस्टमेंट के मामले में जो मैंने उनसे अनुरोध किया है, उस पर वह अपने विचार, अपना जवाब देते समय व्यक्त करें। धन्यवाद ।

प्रो. रामगोपाल यादव (उत्तर प्रदेश) सभापति महोदय, यह जो कालिंग अटेंशन नोटिस हमारे विद्वान साथी नीलोत्पल बसु जी ने टेबल किया है और दीपांकर मुखर्जी ने इस

पर चर्चा प्रारम्भ की है, इससे पहले गुरूदास दासगुप्त जी ने और प्रबुद्ध साथियों ने कुछ ऐसी बातें सदन के सामने रखी हैं जो प्रथम दृष्टया यह दर्शाती हैं कि इन शेयर्स के डिस-इंवेस्टमेंट में , उनकी सेल में कहीं न कहीं कोई गड़बड़ी है। आप देखेंगे इसमें बहुत तेजी की गई है, बहुत जल्दबाजी की गई है। वर्ष 97 में 125.00 रुपये पर शेयर इसकी कीमत थी और डोमेस्टिक प्राइस 160.00 रुपये थी, लेकिन इनको उस वक्त नहीं बेचा गया। परन्तु फरवरी, 99 में 70 रुपये प्रति शेयर के हिसाब से तीन करोड़ शेयर बेचे गए, जबकि मार्केट में डोमेस्टिक प्राइस 66 रुपये प्रति शेयर थी। अगर आप उसके बराबर भी बेचते तब भी 18 करोड़ रुपये बचाये जा सकते थे, प्रश्न यह उठता है कि वह कौन-सी परिस्थिति थी? जब कम्पनी इतने प्रोफिट में चल रही थी और यह भी नहीं कि कुछ ऐसी कम्पनियां होती हैं जिनका प्रोडक्ट कभी-कभी ऐसा रहता है कि लोग खरीदेंगे कि नहीं खरीदेंगे। उनमें तो कमी आ सकती है। आप जितना एलपीजी प्रोड्यूस करेंगे, आप इसको जितना बढ़ाते जायेंगे उतना ही इसका कंजम्पशन और ज्यादा बढ़ने की गुंजाइश है। इसमें बहुत ज्यादा लाभ होने की गुंजाइश है। इसको कोई ऐसा खतरा नहीं था और न आगे हो सकता था या इसके शेयर के भाव में गिरावट आ रही थी इसलिए उसे बेचने के लिए आप यह काम कर रहे थे। एक खतरा जिसकी तरफ गुरूदास दासगुप्त जी ने इंगित किया है, उससे ऐसा लगता है कि इस कम्पनी में धीरे-धीरे गवर्नमेंट की इक्विटी जो है, 50 परसेंट से नीचे लाकर इसके प्रबन्धन में, इसके गवर्निंग में नान गवर्नमैंट शेयर होल्डर्स को लाने का विचार है। अगर यह मंशा है , अगर यह सोच है तो यह भी बहुत दुर्भाग्यपूर्ण बात है।

मैं ज्यादा कुछ न कह कर इतना कहना चाहूंगा कि अगर इस तरह के कदम उठाए जाते है - एक सामान्य सिद्धान्त, सामान्य तौर पर सर्वमान्य तथ्य है कि कोई कदम - हमारे दोनों मंत्रियों के बारे में लोगों की धारणा अच्छी है, मैं इनकी नीयत पर कोई संदेह नहीं कर रहा हूं, लेकिन A man should not only be honest, but he should also appear to be honest. केवल इससे काम नहीं चलता है कि हम ईमानदार हैं, लोगों को भी लगे कि हम ईमानदार हैं, लोगों को भी लगे कि जो हमने काम किया है वह ठीक है और यह काम ऐसा है जो आम आदमी के हित में है। कुछ अर्थशास्त्री हैं, कुछ तथाकथित एक्सपर्ट हैं जो शब्दजाल से और आंकड़ों के मकड़जाल से आम जनता को लगातार गुमराह करते चले आ रहे हैं। इस देश में लोग समझ नहीं पाते हैं कि बुक वैल्यु क्या है, क्या नहीं है। आम आदमी समझेगा कि इन्होंने अपना कैलकुलेट किया होगा और इसी तरह से ऐसा लगता है कि पालिटिकल लोग, पालिटिकल लीडर्स को भी गुमराह कर दिया जाता है, तो इस चीज की तरफ भी ध्यान देना होगा। कल हमने देखा कि एक विधेयक प्रस्तुत हुआ था, उसमें हमने देखा कि शायद लोगों ने उसे पढ़ा ही न हो। इस तरीके से विधेयक आ जाते हैं और प्रस्तुत हो जाते हैं और जब वह

कानून बन जाते हैं, तब अहसास होता है कि इसमें गलती हो गई। इस तरह से शब्दजाल में फंसकर जो फैसले हो जाते हैं, इसमें कोई प्रतिष्ठा की बात नहीं है।

[उपसभाध्यक्ष (श्री अधिक शिरोडकर) पीठासीन हुए]

गवर्नमेंट के लोग खड़े होकर कहें कि कोई गलती है। अगर लगता है कि कहीं गड़बड़ी है तो उसकी जांच कराई जानी चाहिए। महोदय, मंत्री जी यहां बैठे हैं, मैं आपके माध्यम से उनसे अनुरोध करूंगा कि इसमें लोगों को ऐसा लगता है कि ये जो गेल के शेयर बेचे गए हैं, इनमें कहीं न कहीं गवर्नमेंट को लॉस है, कहीं न कहीं गड़बड़ी है तो माननीय मंत्री जी या तो किसी एजेंसी से या सदन की किसी कमेटी द्वारा इसकी जांच कराने का कष्ट करें।

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, hon. Members have expressed different opinions. I may not attribute any motives behind this disinvestment but, definitely there seems to be an error of judgment - judgment with regard to valuation of shares. The company has got a sound economic base. It has got a high reputation in the international market. The G.A.I.L. has got very strong fundamentals. This company is having an operating revenue of Rs. 6,760 crores. It earned profit, after deducting tax, to the tune of Rs. 1,060 crores. It amounts to more than 20 per cent of net profit when compared to the operating revenue. Can the Minister quote any share, which has been priced or sold, even in the open market, at such a low price with all its strong fundamentals? Can you just quote one example, leave alone the strategic buyers, even in the open market? What made the Government to indulge in such a distress sale? Are we so badly in need of funds? What is the purpose of such a disinvestment? The hon. Finance Minister has said that it is to contain the fiscal deficit. Sir, rather than indulging in such a distress sale, which is totally detrimental to the interests of this Government and to the revenue of the Government, we would prefer to have a fiscal deficit. Is it not like, instead of curing a disease, you are attracting more diseases? That is not the solution. This disinvestment alone is not the panacea for the evils that are being faced by the economy. There is no dearth of funds to be invested in the country. Only yesterday, delegates, who have participated in the economic forum, were on record saying that there is no dearth of funds to be invested in the country. Then, why have you indulged in such a distress sale? Sir, in 1997, an offer came to the GAIL for around Rs. 110. We got this information from the exchanges made between Mr. Chidambaram and the hon. Finance Minister -

I stand corrected - when it was quoted at Rs. 117 in the Bombay Stock Exchange. The crude oil price, at that time, when the offer was made, was Rs. $ 9 per barrel. Today, it is $ 21 per barrel. Sir, at that time, the Bombay Stock Exchange Index was 3,500 and, today, it crossed 5,000-mark. In Dow Jones of the U.S.A, at that time, the index was 6,000 to 7,000 points. Now, it crossed 11,000-mark. I stand corrected. There was the East Asian crisis then, and today all East Asian economies have been revived. So, why was the Government, with all its strong fundamentals, forced to sell at a very cheap price? It has sent wrong signals. You should have a mandatory price. You should have fixed the price. It could have gone 5 per cent this way or that way.

You have appointed a task committee of some Secretaries. With all due respect to them, I would like to ask, "Do they know the implications of the stock market?" They do not know the implications of the stock market; they do not know the movement of the stock market; even then, you have totally ignored the opinion of experts. When Mr. Chidambaram pointed it out that it has been sold at a cheaper price, the hon. Finance Minister replied, "You had also sold the shares of the MTNL at a cheaper price." Is it the reply? Is it really justified? Just because Mr. Chidambaram had sold the shares of the MTNL at a cheaper price, this Government is also justified in selling at a cheaper price! Is it the reply that should be given to the nation? People's money is involved in it. Had I owned the shares, I think I would have been more prudent than the Government. I would have never disposed them of at a cheaper price. In my view, the Government should be more responsible because people's money is very important.

Then, even the disinvestment process should be more transparent. You have disposed it of in a market-driven economy, which is not at all transparent. Your capital market is highly manipulated. You have said in your statement that the market-driven price has been treated as the best price. How can it be, when the economy is being brought to buoyancy, when there are strong signals for the economy? This is a very wrong message that you have sent. No multinational company should feel that they could purchase at a cheaper price and go away. We are not in a dire necessity to sell. There is no necessity. I am not attributing any motive, but the error of judgement is definitely there. What is the estimated value of the assets, as Mr. Rahman Khan has referred to? You should have ascertained

the net worth of the company. You should have ascertained the price. You should have fixed a mandatory price.

So, I would like to make a few suggestions in this regard. You are planning to make disinvestment of most of the companies. You should have a transparent approach. You should have an experts' committee. Secretaries and Joint Secretaries are not going to fix the prices of shares of companies. They are not the masters in every field. You cannot allow them to dictate everything in the country. You should not allow them to decide the fate of the people's funds. This is a very peculiar case in which the Government does not behave in good faith, I may tell you, Sir.

Then, Sir, the timing of disinvestment is very important. When industries' fundamentals are strong, and only when you are sure to get a good price, you should take a decision to do disinvestment, and not just because the Secretaries have decided, they have recommended a price, and the Cabinet has approved it. What is the justification for it? What is the rationale behind it? We should disinvest our companies' shares when we are sure to get good prices? *(Interruptions)*

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Mr. Ramachandraiah, please conclude.

SHRI C. RAMACHANDRAIAH: Yes, Sir. I am just going to conclude. So, the shares should not be disinvested merely because the Secretaries have decided, and the Cabinet has approved it. So, with these words, I would say that there has been totally an error of judgement on the part of the Government. At least, in future, this process of disinvestment should not be made in such a way that it is detrimental to the interest of the economy.

SHRI JAYANT KUMAR MALHOUTRA (Uttar Pradesh) : Thank you, Sir. I rise to place my points on this very crucial issue raised by my colleague, Shri Dipankar Mukherjee. He has gone at great length and raised points which I do not wish to repeat because the hon. Minister will answer them. But why are these doubts being raised in this House? Mr. Agarwal mentioned that the price of a company is : (a) control, (b) its assets; and (c) its prospects, both today and tomorrow. We raised the doubts in this very House when we gave the control of Maruti, and despite the fact that we had 50%, these doubts were raised. At that time, I was the only speaker who suggested that instead of giving the control free, why not sell the company?

In this way, you would probably get 7000-8000 crores for your 50% because one or two years down the line, in view of the competition and in view of the fact that you have handed over the control free, you will not get even half the price and you will come to this House and say "after all, we got sinecure for six bureaucrats for these last two years and we paid 4000-5000 crores for it". Sir, the same issue is coming up again. The hon. Minister has mentioned about book-value. The price at which the assets have been valued is about Rs. 32,00 crores. I would like the hon. Minister to tell us, what would be the replacement price of these assets? Would it be less than 32,000 crores? The book-value is only a notional value where the depreciated asset value has been placed in the books of accounts, but what is the replacement value of these assets? I believe, it is in excess of 32,000 crores. Therefore, to use the book-value as a means to justify 'selling' at a wrong price, I do not think would be acceptable in any economic forum or any forum that understands the value of shares. Simiarly, Sir, the international value of oil based assets - the P.E. ratio is between 20 and 25. That means profit in equity. Here, the equity is Rs. 845 crores, and the profit after tax is Rs. 1060 crores, which means that the P.E. is about 12. In other words, we have sold this company at 5 times the P.E., whereas, internationally, oil based assets are selling between 20 and 25 times, which means according to my calculation, the minimum value of this company should be between Rs. 300 and Rs. 350, at normal market prices. But today, as we all know, the Indian stock prices are rather low. Therefore, to off-load vital assets of the company - this company is supposed to carry 95% of the total gas production of this country. It is a virtual monopoly for us to sell at these throw-away prices, I think it is very imprudent. Well, I do not want to go to the extent of making charges of vested interests, which may well be there, but, certainly, it is not a very wise decision. We have brought down our control in the company to 67% and, as we all know, that when it is anything below 76%, you cannot pass a special resolution and, therefore, your total control is now partial control.

Though you own 67 per cent shares, you are not any more in position to say that you totally control this company. In my opinion, Sir, the decision that has been taken, is wrong. It has been taken at a wrong time, as many other disinvestments decisions are going to take place. The House is fully justified in referring this matter to a Committee of the House for an in-depth study on why this decision was taken and why we are selling at Rs.70/-,

which is about 5 P.E. when the international selling price of oil-based stock is about 20 to 25 P.E. anywhere in the world except, perhaps, in India where this stock has been hammered down by vested interests. There is no doubt about it. Therefore, this should be referred to a Committee of the House because issue will be discussed threadbare, and we will come to some conclusion, whether it was incompetence or whether it was unwise or some vested interests were involved in it. This would help even this Government in talking corrective steps to ensure that such decisions as in this case or in the previous case of Maruti do not happen agains.

Thanking you, Sir.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Thank you, Mr. Malhotra. Mr. Minister.

SHRI RAM NAIK: Sir, many hon. Members have given their viewpoints on the basis of the statement. I have made. I am indeed thankful to all of them for expressing their views. I will try to sort out the views into two sections. One will be on how the disinvestments should be done, what should be the procedure for that and when it should be done. As it was said in the beginning, the Finance Minister should have looked into all these problems, and he should have replied to them. Sir, it is your privilege. The notice was admitted, and I was told to reply. There are issues of policy. The Finance Minister can well reply on the points about the disinvestmnts work as such. As the Finance Minister has already said, we are ready for a full-fleged discussion even on the disinvestments policy. I may inform you that in the other House, the Lok Sabha, it has already been admitted. So, if such a discussion takes place here, we would be ready. That is why I will try to concern myself with this sale of the GAIL shares. I will try to reply from that angle.

Sir, Shri Gurudas Dasgupta's point is that I may not be knowing finance, that I may not be knowing the share market and all that. To some extent he is true. Sir, I passed my B. Com. Examination in 1954, some 45 years back. So, I can say that I at least know something of accounts and finance. It is quite possible that it may not be to the extent that he knows, but I do know something of finance on that basis, I will try to reply.

Sir, charges have been thrown one after another. I have noted all these charges. It is wornderful for me. A charge is that this is a total sell-out.

2.00 p.m.

Another is that this is a manipulative sale. Another is that this a case of loot. Yet another is that this is a sign of bankruptcy. Sir, what can I say on these? I can only say that there is no medicine for Doubting Thomases.

हिंदी में जैसे बोलते हैं कि शक का कोई इलाज नहीं है ।

श्री संघ प्रिय गौतम : हकीम लुकमान के पास भी शक का इलाज नहीं था ।

श्री राम नाईक : मेरी हिंदी आप जैसी अच्छी नहीं है ।

श्री संघ प्रिय गौतम : हकीम लुकमान के पास सारी बीमारियों का इलाज था, लेकिन शक का इलाज उन के पास भी नहीं था ।

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): As far as possible, we whould not interrupt the hon. Minister -- neither for, nor against.

श्री राम नाईक : इसलिए उपसभाध्यक्ष जी, इस शक का मेरे पास कोई इलाज नहीं है।

That is why I will try to restrict myself to the specific issues and reply.

A reference was made about Mr. Chidambaram's statement. If he were here, I would have replied to that, but since Mr. Chidambaram made a political comment, I can only say that I share his agony. Since he is no more in the North Block, he has lost touch with the present-day realities obtaining in the monetary and financial market. Much water has flowed during the last few years in the international market. We are now in 1999. The position that obtains in the morning in the monetary and financial market, does not hold good in the evening. So, imagine, what obtained in 1997, would it hold good now? It only indicates how volatile the financial markets are.

A point was made that it was a distress sale. We have sold it in the GDR market, in the international market, at Rs.70 per share. Only in February 1999, we sold Rs.3/- crore worth of shares in the domestic market, at the rate of Rs.60/- per share. When we sold the shares at Rs.60 per share in the domestic market, at that point of time, it was not considered as a distress sale. But when we sell it at Rs.70/- per share, it is said "it is a

distress sale!" Since we wanted to sell the shares, we went to the international market and got a better price than what we obtained in the domestic market. So, there is no distress sale. I deny that charge.

A point was made by most of the hon. Members that all the shares could have been sold in the domestic market. In February 1999, we had proposed to sell 8 crore shares in the domestic market. The position in the domestic market was such that only 3 crore shares could be sold. That means, there were not sufficient purchasers available in the domestic market. We first tried in the domestic market. Then only we went to market. That is why the point that money could have been available in India, does not hold good. I do not know whether you pruchased the shares, but the same amount of money was not available in the market. Out of 8 crores shares which we wanted to sell in the domestic market, only one crore shares were purchased by the foreign financial investors.

SHRI JIBON ROY : Money will not be available... *(Interruptions)*...

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Mr. Roy, please sit down. Let the Minister reply.

SHRI RAM NAIK : The second point was, "Why was it not sold in the domestic market?" We have tried it. After exhausting that avenue, we went to the GDR market. They have said about October, 1997. We withdrew theoffer. Now, when I reply and make a statement here, I am doing so on behalf of the Government. Whatever was done in 1997, that was done by that Government. That is why I have mentioned in the statement what have been done. Now, the point is, in October, 1997, at that time, they have decided to sell it at a particular price. They said, Rs.125. Now, Rs.125 was fixed by them at that time, that was the minimum price available in the GDR market. That did not happen. As has been said by some Members, it was Rs.116 or Rs.115. At that time, what was the domestic price available? When it was decided that Rs.125 should be the minimum price in the GDR market, it was Rs.160 in the domestic market. That means, in the domestic market, GAIL share was sold in retail at Rs.160, at that time. Though the share was sold in the domestic market at Rs.160, it was offered by that Government, at that time, at Rs.125. That was substantially a lesser price. Between Rs.160 and Rs.125, there is a lot of difference. So far as we are concerned, we have sold it in the domestic market at Rs.60 per share, and in the GDR market at Rs.70 per share. That means, we have sold it at a higher price.They were

428ORS/12A

prepared to sell at a lesser price. We did not do that. That is why efforts in the domestic market were made properly. Only after that, we went to the GDR market.

DR. BIPLAB DASGUPTA : Since the price was low both in the domestic market and in the international market, why didn't you wait? What was the hurry to sell them?

SHRI RAM NAIK : I thought, I will reply to it later. Since you have raised the issue just now, I will reply to it.

The GAIL has a reputation. This Government has finalised disinvestment of certain public sector undertakings, in a big way. Everybody knows it. It was there in the Budget speech also. We expected Rs.10,000 crores. Everyone knows about it. But, now, the point is, once the GDR offer was withdrawn in 1997, if the same company goes the GDR market again, then, the standing of that company in the international market goes down. Perhaps, you might not be knowing about it. If somebody wants to sell the shares, how would the international investors believe it? If the international investors have to believe that we want to sell so much, whatever is the best price that comes to us, we will decide about it. That is why not doing it a second time, would not have been right. But we did not think of it only from that point of view because we were getting a better price from Rs.60 to Rs.70. That was a better price. It was a fair price. That is why we have decided to sell them.

Now, something is being made out of the sale of shares to Enron and the British gas company. Sir, I am surprised at the comments of the hon. Members. Before I reply to the comments, I must give the details of the shares. Now, 67 per cent is the present investment of the Government. The other investors are the LIC and other financial institutions. They are all Indian financial investors. So, what has been sold to Enron is just five per cent of GAIL's equity.

SHRI NILOTPAL BASU: How much shares have been purchased by Enron?

SHRI RAM NAIK: I am telling you. We are transparent. Whatever has been done is before you. *(Interruptions)* Five per cent of GAIL's equity was sold to another Enron company which is an investment company, which belongs to Enron. In the international market whether it is an investment

4260 RS/2B

company or some other company, these things are known. Similarly, we have sold only 1.5 per cent of the GAIL's equity to the British Gas company. That means, in all, we have sold only 6.5 per cent of the GAIL's equity. It is not a big holding. Now, why Enron or British Gas could have purchased it? That can be one point. Secondly, you are saying that the control will pass on to them. To say that control would go to foreign companies with such minimum share holding, is not understanding the management at all.

SHRI GURUDAS DAS GUPTA: I would like to seek one clarification.

SHRI RAM NAIK: Mr. Gurudas Das Gupta, if you agree, I can continue and the questions can be put later on. So, there is no passing on of control at all. With this small percentage of shares they cannot have any management control. If they have to have management control, then it would be, what we call, a strategic sale. Now, when a strategic sale is there and when the purchases are there, then they must have so much number of shares with which they can have entry in the Board of Directors, in the management. Now, that is not possible. We do not want to do it only because, as everyone has said, we are proud of GAIL; GAIL is one of the best companies and it is being managed by the Indian professionals. *(Interruptions)*

SHRI GURUDAS DAS GUPTA: Then why are you resorting to disinvestment?

SHRI RAM NAIK: Disinvestment is a matter of policy. So, Sir, there is no question of any strategic sale here; there is no question of the management being passed on to either Enron or British Gas. We are the masters and they thought that they should purchase. When we go to the international market, anyone can come there and purchase. If they have offered a proper price and if that price is good to us, we must sell. They have offered better prices and we have sold to them. So, there is nothing wrong. लेकिन जैसा मैंने कहा कि शक का कोई इलाज नहीं है ...(व्यवधान)...

SHRI GURUDAS DAS GUPTA: You should sell even to the competitors also?

SHRI RAM NAIK: Yes, Sir.

SHRI GURUDAS DAS GUPTA: Even if they are having access to the information.

SHRI RAM NAIK: Now it comes to transparency. Now, Mr. Gurudas Das Gupta says that the information has been leaked. Why should information be leaked? What is the necessity? You must learn about the GDR in the international market. When we decide to go in the GDR market....

SHRI GURUDAS DAS GUPTA: How do you explain the shortfall in the price of GAIL after disinvestment?

SHRI RAM NAIK: This is a market operation. Now, before the shares are being offered in the GDR market, road shows are arranged all over the world. It is being told there that they would offer so and so shares. Where is the question of leakage? It is being informed the world over so that they may come and purchase, and we want the best price. From that angle, there is no question of leakage. It is a very transparent case, and I must say, I won't take much time of the House... *(Interruptions)*

I won't take the time of the House, Sir.

SHRI NILOTPAL BASU: Will you place that offering circular on

the floor of the House?

SHRI RAM NAIK: Let me complete.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): May I request you, Mr. Basu, that at the conclusion of the address of the Minister if you feel something is missing, you can seek your clarification, and if he wants, he can reply, but if you go on interrupting like this, it does not look good.

SHRI NILOTPAL BASU: Sir, I accept your guidance.

SHRI DIPANKAR MUKHERJEE: Sir, everything is missing. I have to speak again. Every point is missing. He has not touched the specific points.

SHRI SANGH PRIYA GAUTAM: Sir, the hon. Member must know the parliamentary practice.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Mr. Gautam, please sit down. Please continue, Mr. Naik.

SHRI RAM NAIK: Sir, there have been some points raised about the book value of a GAIL share. That is Rs.48/-. Sir, I gave the information because I just wanted to tell the Members that Rs.10/- is the face value of

the share and on the basis of the Profit & Loss Account and the Balance-Sheet of the Company, Rs.48 is the book value. This is just a sort of information which I could not have given, but I thought I should inform the House. ...*(Interruptions)*... I know that the intrinsic value is always more. I certainly know that. As Mr. Malhoutra has said, it is true that the intrinsic value is more, but we must at least know what the book value as of now is. ...*(Interruptions)*... That point will certainly come when we are going to discuss the disinvestment policy, how do we do that. I am telling you about the GAIL transactions as of now.

Sir, as regards the manipulative sale, I hope, Mr. Gurudas Das Gupta, after the explanation given by me, would have come to know how the GDR market operates.

SHRI MD. SALIM: Sir, one will have to become a Minister to understand the market economy and the GDR. Once you become a Minister, you know how the market operates.

SHRI RAM NAIK: That is true. What you are saying is perfectly right, and you won't get that opportunity! You always remain in the Opposition. You will be there only. Don't worry about it!

SHRI MD. SALIM: Market forces come to the Ministry and give you the road show.

SHRI RAM NAIK: Sir, there is no question of manipulation, there is no question of secrecy, nothing of the sort. One point that came before us is why the sale was not postponed, why it was not deferred. As I have already explained, Sir, doing it twice would have damaged the international prestige not only of the GAIL but also of the country. If the country now goes in for the sale of shares and, later on, it withdraws, that is not appreciable, that is not good, that is not desirable even when the country is trying to liberalise, and in the process, we are trying to have foreign capital for our different projects, including the petroleum and gas ones. So, by and large, if you see a sign of bankruptcy,...(*Interruptions)*.....

SHRI MD. SALIM: This is a matter for Mr. Yashwant Sinha to take care of! ...*(Interruptions)*..

SHRI RAM NAIK: If you want to save the prestige of the country, you have to always take care of your words. If you say we are going to international market, and if we want to sell.....*(Interruptions)*....

SHRI MD. SALIM: In the month of December you are saying all this!

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Mr. Salim, please don't interrupt. Let us not have a running commentary. ...*(Interruptions)*... He is not yeilding.

SHRI RAM NAIK: Sir, this country is strong enough. When the Kargil war was fought, many attacks were made, but still we had our way, and we went according to our schedule, and Sir, we will go according to our schedules.

Sir, there have been many points raised by Ramdas Agarwalji. He said that whatever proceeds come, they are going to the Consolidated Fund. It is true that it goes to the Consolidated Fund of India. But his suggestion that part of it should be used for the development of that company is a good suggestion. While reviewing all this, we will certainly take into consideration this suggestion that part of the proceeds from disinvestment should be used for the development of that company. By and large I have covered...*(Interruptions)*.

SHRI VAYALAR RAVI: You did not cover everything. *(Interruptions)*

SHRI RAM NAIK: By and large, I have covered the points which have been made here. I must say that the transaction; the sale has been quite transparent. There is no hunky-funky in that. Whatever was decided in the international market has been done. And it should be viewed from that angle. A point was made as to whether certain documents could be laid on the Table of the House. If you give me the list of the documents you want, I will give all the necessary documents. These are transparent transactions. So, whatever you want...*(Interruptions)*. You were referring to the 1997 circular. You give the details of that circular. *(Interruptions)* You referred to that circular and I am telling you...*(Interruptions)*.

SHRI DIPANKAR MUKHERJEE: Every circular, which was given to the GDR market in 1997 and 1999 should be laid on the Table of the House.

SHRI RAM NAIK: I will make them available. *(Interruptions)*

SHRI DIPANKAR MUKHERJEE: ...not for me. *(Interruptions)* You did not tell the value of the October, 1999 share. *(Interruptions)* अक्तूबर,99 मे शेयर मार्केट कितना था?

श्री नीलोत्पल बसु : बहुत अच्छी तरह से जानते हैं कि क्या हो रहा है।....(व्यवधान)... पोल खुल गई है।

SHRI RAM NAIK : Let me tell you one more thing. I thought that I need not elaborate, but since you have raised it...(Interruptions). Sir, if the Government at that time would have taken the decision.....*(Interruptions)*.

SHRI DIPANKAR MUKHERJEE: Sir, I only want to know about the October, 1999 share price. *(Interruptions)*.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Would you not...*(Interrutpions)*. Mr. Salim and Mr. Mukherjee, please....*(Interruptions)*

SHRI NILOTPAL BASU: Do you want us to accept all this? *(Interruptions)*

SHRI RAM NAIK : Sir, if the Government...*(Interruptions)*.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Please, stop interrupting. Let us hear him. You may not agree with him, you may not accept it, but should we not give him a fair hearing?

SHRI RAM NAIK: Sir, if the Government, which they were supporting would have taken a decision at that time...*(Interruptions)* If we take a minimum of Rs. 110/- per share, the difference woud have been

Rs. 40/-. Around six crore shares were sold and the country would have got Rs. 240 crores even in 1997. *(Interruptions)*

SHRI DIPANKAR MUKHERJEE: I am asking about October, 1999 share price and its domestic value. That is all. *(Interruptions)*

SHRI RAM NAIK: Even that would not help. They do not get...*(Interruptions)*. They just go on discussing. They are not interested in ...*(Interruptions)*

SHRI DIPANKAR MUKHERJEE: What is this? *(Interruptions)*

SHRI RAM NAIK: This transaction has been a fair transaction... *(Interruptions)*...and a transparent transaction. So, there is no truth on the allegations made by the Opposition leaders.

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Thank you, Mr. Minister.*(Interruptions)*

SHRI MD. SALIM: He is comparing the prices of February, 1999 and...*(Interruptions)*. The question is this. What was the October, 1999 price? *(Interruptions)* You are conveniently forgetting the October, 1999 share price. *(Interruptions)* You have quoted the price of October, 1999. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Please, please...*(Interruptions)*. Let me...*(Interruptions)* Kindly take your seats. *(Interruptions)*.

DR. BIPLAB DASGUPTA: Sir, one of the suggestions which has come out from all sides, - not only from us, but even from the TDP, which is supporting to the Government, - is that there should be a Select Committee to look into the question on whether the pricing has been the reflection of collusion on the part of those who have been dealing with it. This question has been raised, some disquiet has been expressed on the way prices have been fixed. What I want to say is that this is the opinion of almost all the Parties who have spoken, excepting the BJP. I would like to know from the BJP Minister whether he is in agreement with the suggestion that there should be a House Committee. Would you like to answer that question? We want to know that. This is a request from all sections of the House that there should be a House Committee.Would you like to answer that question?We want to know that. This is a request from all section of the House that there should be a Select Committee.*(Interruptions)*... Would the Minister like to answer this? *(Interruptions)*...

SHRI RAM NAIK: Sir, since I have explained the position properly, I don't feel there is any need for a Select Committee. *(Interruptions)*...

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL)1999-2000

THE VICE-CHAIRMAN (SHRI ADHIK SHIRODKAR): Now, Shri Yashwant Sinha to lay the Supplementary Demands for Grants (General), 1999-2000 on the Table. *(Interruptions)*...

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I beg to lay on the Table a statement (in English and Hindi) showing the Supplementary Demands for Grants (General), 1999-2000. *(Interruptions)*....